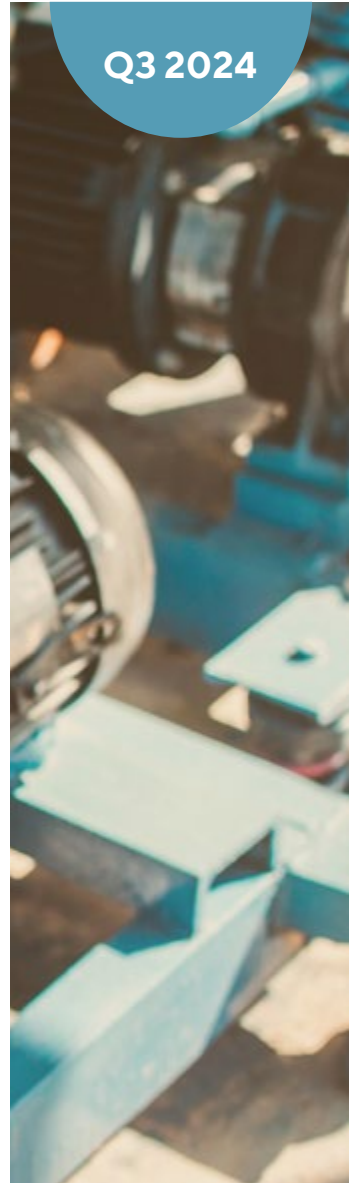


FACILITIES SERVICES

Market Update



Q3 2024



INSIDE THIS ISSUE

- Market Insights
- Recent Lincoln International Transactions
- Facilities Services Financial Performance
- Heard on the Street
- M&A Transaction Highlights

Market Insights

After a series of declining quarters since 2021, Q3 2024 marks the fourth consecutive quarter of M&A activity growth, with ~7,700 deals closed, according to S&P Global. This represents an increase of ~5% compared to the ~7,300 deals closed in the previous quarter. This continued increase in activity can be attributed to a combination of factors, including but not limited to 1) decreased financing costs and an increase in overall available leverage and 2) greater confidence and visibility into the macroeconomy reaching a “soft landing”. We expect to see this level of activity continue to increase at the end of 2024 and start of 2025 as the global economy continues to stabilize and lenders put more money to work. Both strategic and financial acquirers are showing a steady commitment to making investments and are eager to deploy capital when the strategic fit is right.

There has also been continued activity within the facilities services sector, specifically within the U.S. market. During Q3 2024, private equity-backed facilities services companies were particularly active acquirers. Companies, including Pye-Barker Fire & Safety (Altas, Leonard Green), Minuteman Security Technologies (Tenex Capital Management), PestCo Holdings (Thompson Street Capital Partners) and Sciens Building Solutions (The Carlyle Group) completed acquisitions. As of Q3 2024, the Lincoln Facilities Services Index (15.7x EV/EBITDA) and the S&P 1500 Environmental and Facilities Services Index (17.6x) are valued at higher multiples relative to Q2 2024. Overall, we are optimistic that the facilities services M&A market will remain strong in 2024 and 2025 for both financial and strategic buyers.

Both strategic and financial acquirers are showing a steady commitment to making investments and are eager to deploy capital when the strategic fit is right.

Recent Lincoln International Facilities Services Transactions

 has sold  to  Sell-Side 	 has acquired  from  Buy-Side 	 has sold  to  Sell-Side 	 has sold  to  Sell-Side 	 has sold  to  Sell-Side 
 a portfolio company of  has acquired  Buy-Side 	 has merged with  a portfolio company of  Sell-Side 	 has received a growth investment from  Sell-Side 	 has sold  to  Sell-Side 	 has sold  to  Sell-Side 

ABOUT THE LINCOLN FACILITIES SERVICES INDEX

The Lincoln Facilities Services Index is a market cap-weighted, composite stock index similar to the S&P 500 Index. The index is prepared by first selecting a base period, in this case, Q4 2022, and totaling the market caps of the companies in this period. This period and the total market cap are set to a base index of 100%. Next, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (100%).

Quarter-over-quarter indices for the S&P, S&P 500 Environmental and Facilities Services and the Lincoln Facilities Services Index increased. The Lincoln Facilities Services Index EV / EBITDA trading multiples increased by 0.7x to 15.7x.

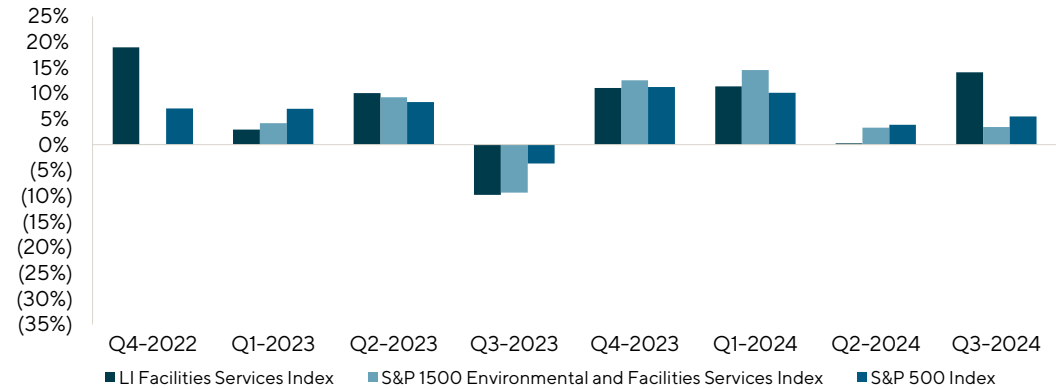
Facilities Services Financial Performance

QUARTER-OVER-QUARTER PERFORMANCE

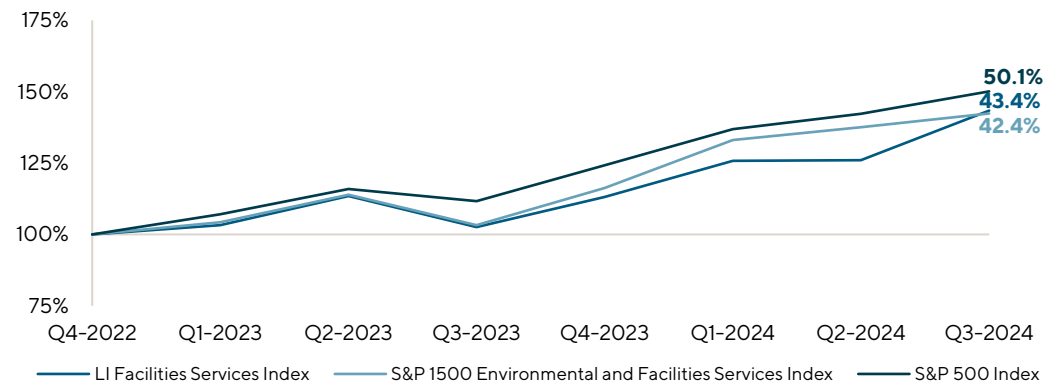
Top Performers	Change	Underperformers	Change
Team	71.7%	Rentokil Initial	(16.2%)
Comfort Systems USA	28.4%	Sodexo	(8.7%)
Securitas AB	28.0%	Rollins	3.7%

Based on quarter-over-quarter share price performance

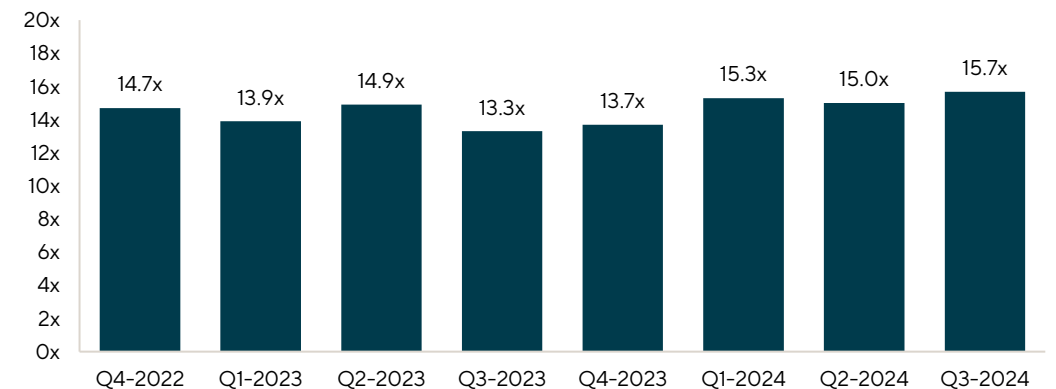
QUARTER-OVER-QUARTER STOCK INDEX CHANGE



TWO-YEAR RELATIVE STOCK INDEX PERFORMANCE



ENTERPRISE VALUE⁽¹⁾ / LTM EBITDA MULTIPLES



Source: Capital IQ as of 9/30/2024

(1) Enterprise value is calculated as market capitalization plus total net debt, preferred equity and minority interest

LINCOLN FACILITIES SERVICES INDEX STOCK DATA

(\$ in millions, except per share)

	Current Price	52-Wk High	Market Cap	Enterprise Value	Diluted EPS	LTM Rev	EV / LTM			LTM Growth		EBITDA Margin	Net Debt / EBITDA
							Rev	EBITDA	EBIT	Rev	EBITDA		
Facilities Services													
ABM Industries	\$52.76	\$59.78	\$3,313	\$4,497	\$2.14	\$8,275	0.5x	12.1x	17.2x	3.2%	(14.9%)	4.5%	3.2x
Aramark	38.73	38.99	10,203	15,565	1.80	19,955	0.8x	9.3x	14.0x	22.6%	62.5%	8.4%	3.2x
BrightView Holdings	15.74	16.26	1,489	2,761	0.23	2,782	1.0x	10.4x	22.6x	(0.5%)	6.8%	9.5%	2.9x
Cintas	205.88	211.57	83,360	85,734	3.96	9,756	8.8x	35.0x	40.3x	8.5%	13.6%	25.1%	1.0x
Comfort Systems USA	390.35	403.07	13,882	13,773	11.91	6,083	2.3x	19.8x	23.7x	29.2%	76.3%	11.4%	(0.2x)
Compass Group	32.09	33.31	54,452	59,637	1.02	41,277	1.4x	19.3x	22.6x	14.7%	18.6%	7.5%	1.7x
EMCOR Group	430.53	443.96	20,087	19,286	17.45	13,746	1.4x	15.5x	17.2x	17.4%	56.0%	9.1%	(0.6x)
FirstService	182.92	185.54	8,248	9,617	1.79	4,652	2.1x	23.6x	36.3x	12.9%	8.1%	8.8%	2.5x
Johnson Controls International	77.61	77.71	51,845	62,889	2.38	26,930	2.3x	16.5x	21.7x	1.2%	(3.1%)	14.2%	2.6x
Matrix Service	11.53	13.90	318	202	(0.91)	728	0.3x	NM	NM	(8.4%)	NM	(2.6%)	6.2x
Mitie Group	1.58	1.70	1,999	2,121	0.09	5,614	0.4x	7.9x	9.4x	15.0%	34.3%	4.8%	0.4x
Prosegur Compañía de Seguridad	2.14	2.15	1,140	2,943	0.10	4,780	0.6x	6.7x	10.4x	0.2%	(8.6%)	9.2%	4.0x
Rentokil Initial	4.88	8.25	12,267	16,385	0.16	6,837	2.4x	12.3x	17.7x	11.8%	12.6%	19.4%	3.1x
Rollins	50.58	51.96	24,497	24,901	0.95	3,235	7.7x	33.4x	39.0x	12.7%	18.7%	23.0%	0.5x
Securitas AB	12.71	13.30	7,281	11,348	2.65	15,047	0.8x	10.0x	12.3x	7.0%	9.5%	7.6%	3.6x
Sodexo	82.14	117.56	12,044	16,439	4.85	25,032	0.7x	12.1x	15.8x	16.0%	34.4%	5.4%	3.2x
Team	15.25	19.07	67	352	(12.54)	849	0.4x	10.7x	NM	(2.6%)	NM	3.9%	8.7x
UniFirst	198.65	199.67	3,698	3,572	6.85	2,359	1.5x	11.9x	21.7x	8.4%	18.9%	12.7%	(0.4x)
Facilities Services Mean							2.0x	15.7x	21.4x	9.4%	21.5%	10.1%	2.5x
Facilities Services Median							1.2x	12.1x	19.7x	10.1%	16.1%	8.9%	2.7x

Source: Capital IQ | Note: All values based on publicly available data as of 9/30/2024

Heard on the Street

09/25/2024: Sodexo (PAR:SW), a France-based provider of food catering and facilities management services, is considering a potential acquisition of Philadelphia, Pennsylvania-based Aramark (NYSE:ARMK). Aramark provides food, hospitality, uniform and facilities management services across 15 different countries. Reports indicate that Sodexo has been engaged in discussion with Aramark about a potential acquisition for a few months, with major financial and regulatory hurdles still outstanding in order to complete the acquisition. Sodexo has a market capitalization of ~\$11.8B and Aramark has a market capitalization of ~\$9.8B, with both companies operating globally.

08/28/2024: Yellowstone Landscape (Harvest Partners), a Bunnell, Florida-based provider of commercial landscaping maintenance, installation, enhancements, irrigation and tree care services is in the early stages of a potential sale process by sponsor Harvest Partners, according to reports. Yellowstone was acquired by Harvest from CIVC Partners in 2019 and generates ~\$125M of EBITDA. The company is expected to receive interest primarily from financial sponsors and is considered an attractive asset in the industry due to its exclusive focus on commercial clients. Yellowstone operates in 16 states and serves more than 5,000 customers.

08/24/2024: Sciens Building Solutions (The Carlyle Group), a San Francisco, California-based provider of design, installation and maintenance services for fire detection and suppression systems, has announced its acquisition of Western Fire Protection, a provider of fire sprinkler design, fabrication, installation, repair, maintenance and inspection services based in San Diego, California. The acquisition is one of three completed by the company in Q3 2024, along with the acquisitions of Standard Electronics and Low Voltage Integrated Systems in July. With the acquisition of Western Fire Protection, Sciens increases its presence and ability to offer a comprehensive set of solutions in the Southern California market and continues the company's aggressive M&A strategy.

07/10/2024: Pye-Barker Fire & Safety (Altas, Leonard Green), an Atlanta, Georgia-based provider of fire protection equipment services, will see owners Altas and Leonard Green evaluate buyout interest this year through a marketing process. Pye-Barker is expected to generate strong interest from large-cap private equity firms. Under the combined ownership of Altas and Leonard Green, Pye-Barker grew from 1,000 employees across 80 branches to more than 6,000 employees across 210 branches.

M&A TRANSACTION HIGHLIGHTS

Closed	Target	Target Description	Acquirer
Sep-24	Landscape Maintenance Professionals	Provides landscape maintenance, installation, irrigation and arbor care services	Juniper Landscaping (Bregal Partners)
Sep-24	Mechanical Engineering & Construction	Provides mechanical design, construction, HVAC maintenance and installation services	CoolSys (Ares Management)
Sep-24	Alexander Gow Fire Equipment	Provides fire suppression system services	Performance Systems Integration (The Riverside Company)
Sep-24	Premier Safety & Service	Provides industrial and environmental safety and fire services	Municipal Emergency Services (Platte River Equity)
Sep-24	Sargent Electric Company	Provides electrical installation, maintenance and repair services	Constructel Visabeira (Goldman Sachs)
Sep-24	Keith Powell Heating and Cooling	Provides indoor air products, repair and maintenance services	Strada Services (Trilantic North America)
Sep-24	Legacy Fire Services	Provides inspection, testing, maintenance and installation of fire protection systems	Pye-Barker Fire & Safety (Altas Partners, Leonard Green & Partners)
Sep-24	Texas Commercial Fire & Safety	Provides safety products and services	Sentry Safety Solutions (Mitchell Capital, Evolution Strategy Partners)
Sep-24	Marksman Security Corporation	Provides security staffing and systems integration services	Titan Security Group (Quad-C Management)
Sep-24	Hi-Tec Building Services	Provides full-service building maintenance and custodial services	4M Building Solutions (O2 Investment Partners)
Sep-24	Thario Building Services	Provides full-service commercial cleaning services	4M Building Solutions (O2 Investment Partners)
Sep-24	Weldon Contractors	Provides comprehensive mechanical and plumbing services	Upchurch Plumbing (Ares Management)
Sep-24	Commercial Fire Protection	Provides fire and life safety system construction and services	Gauge Capital
Sep-24	Esscoe	Provides mission-critical security and fire and life safety systems	Convergint (Leonard Green & Partners, Harvest Partners)
Sep-24	Helinick	Provides design and implementation of security, fire safety and building management systems	Convergint (Leonard Green & Partners, Harvest Partners)
Sep-24	Phoenix Fire Systems	Provides fire suppression, special hazards and fire alarm services	Pye-Barker Fire & Safety (Altas Partners, Leonard Green & Partners)
Sep-24	Sun Plumbing	Provides plumbing and remodeling services	Cascade Services (LP First Capital, Trive Capital)

M&A TRANSACTION HIGHLIGHTS (CONTINUED)

Closed	Target	Target Description	Acquirer
Sep-24	Altus Fire and Life Safety	Provides regulation-mandated fire and life safety services	Apax Partners
Sep-24	Capitol Elevator	Provides elevator installation, maintenance, modernization and repair services	Kone
Sep-24	Action Elevator Company	Provides elevator maintenance, repair and modernization services	H.I.G. Capital
Sep-24	Carlton Industrial Solutions	Provides calibration, repair and automation services to customers across regulated end markets	Reynolda Equity Partners
Sep-24	Landscape Detail	Provides landscape maintenance, installation, land clearing, hardscape and snow removal services	American Landscaping Partners (Shoreline Equity Partners)
Sep-24	HERC Enterprises	Provides electrical contracting, plumbing, air conditioning, heating and refrigeration services	A&M Capital
Sep-24	Kendall Elevator	Provides elevator repair, modernization and maintenance services	Southern Elevator (Plexus Capital)
Sep-24	Lincoln Pest & Property Solutions	Provides pest control, preventative and maintenance services	Levine Leichtman Family Office
Sep-24	Pine Valley Turf Management	Provides lawn care and landscaping services	Tenex Capital Management
Sep-24	Woodstock Heating & Cooling	Provides HVAC installation, maintenance and other related services	LightBay Capital
Aug-24	Aptive Environmental	Provides pest management services	Citation Capital Management
Aug-24	Premier Building Associates	Provides roof installation and repair services	Boyne Capital Management
Aug-24	Independent Roofing Systems	Provides commercial re-roofing, installation, repair and maintenance services	Rampart Exterior Services (Huron Capital)
Aug-24	ABR Fire Protection	Provides fire sprinkler and hazard detection system inspection, repair and upgrade services	SuperHero Fire Protection (Hidden Harbor Capital Partners)
Aug-24	Smith & Keene	Provides HVAC installation, replacement and repair services	Cascade Services (LP First Capital, Trive Capital)
Aug-24	Safety Plus First Aid & Safety	Provides life safety equipment and services	Pye-Barker Fire & Safety (Altas Partners, Leonard Green & Partners)
Aug-24	Western Fire Protection	Provides fire alarm and sprinkler design, installation, service, repair and maintenance services	Sciens Building Solutions (The Carlyle Group)
Aug-24	Excel Construction Group	Provides roofing installation, emergency repair and re-roofing services	Quick Roofing (Centre Partners)
Aug-24	Stratos Elevator	Provides comprehensive elevator services	Integrity Elevator Solutions (Del Monte Capital)
Aug-24	PestWork Solutions	Provides pest control services	Rockit Pest (Halle Capital Management)
Aug-24	Sunstates Security	Provides access control, facilities support, reception and concierge support and other security services	Trilantic North America
Aug-24	Capital City Mechanical	Provides HVAC and plumbing services	FirstCall Mechanical (SkyKnight Capital)
Aug-24	Chicago Security Integrators	Provides commercial security solutions	Security 101 (Gemspring Capital)
Aug-24	Standard Crane & Hoist	Provides overhead crane inspections, repairs and maintenance services	Crane 1 (L Squared Capital Partners)
Aug-24	Tri Scapes	Provides commercial landscaping services	Hidden Harbor Capital Partners
Aug-24	Unified Parking Partners	Provides full-service parking management solutions	Towne Park (Greenbriar Equity Group)
Aug-24	Air Power Sales & Service	Provides repair and maintenance services for air compressors, industrial vacuums and other products	Hitachi Global Air Power
Aug-24	Valor Mechanical Services	Provides preventative HVAC maintenance services	FirstCall Mechanical (SkyKnight Capital)
Aug-24	Cushman & Wakefield's Site Maintenance Business	Provides third-party multi-site vendor management services	Vixxo Corporation (Braemont Capital)
Aug-24	Diversified Systems	Provides security systems integration services	Fortis Fire & Safety (Imperial Capital)
Aug-24	Integrated Fire and Security Solutions	Provides fire alarm, CCTV and access control systems	Fortis Fire & Safety (Imperial Capital)
Aug-24	Elite Surface Infrastructure	Provides civil construction, asphalt and concrete maintenance services	Bow River Capital
Aug-24	Tee Time Lawn Care	Provides lawn care and pest control services	Senske Services (GTCR)
Aug-24	Treasure Valley Fire Protection	Provides fire sprinkler systems and services	Pye-Barker Fire & Safety (Altas Partners, Leonard Green & Partners)

M&A TRANSACTION HIGHLIGHTS (CONTINUED)

Closed	Target	Target Description	Acquirer
Jul-24	Feldkamp Enterprises	Provides HVAC, maintenance, plumbing, retrofit, installation and pipe fitting services	Marsden Services (Encore One)
Jul-24	Leo Facilities Maintenance	Provides handyman, plumbing, HVAC, landscaping and snow services	Orion Group (Alpine Investors)
Jul-24	Citadel Fire Sprinkler	Provides fire sprinkler design and installation services	Century Fire Protection
Jul-24	Sentry Fire Protection	Provides fire sprinkler installation and inspection services	Century Fire Protection
Jul-24	Tri-County Lawn and Ornamental	Provides fertilization and pest control services	Fairway Lawns (Morgan Stanley Private Equity)
Jul-24	Access Security Corporation	Provides security technology integration services	Minuteman Security Technologies (Tenex Capital Management)
Jul-24	American Restoration Operations	Provides water, fire and property restoration and remediation services	Morgan Stanley Private Equity
Jul-24	Jarrod's Pest Control	Provides comprehensive pest control solutions	Certus Pest (Imperial Capital)
Jul-24	Marmic Fire & Safety	Provides fire equipment inspection, testing and maintenance services	KKR
Jul-24	Platinum Paving & Concrete	Provides paving and concrete maintenance services	Pave America (Shoreline Equity Partners)
Jul-24	Standard Electronics	Provides fire alarm and low voltage system services	Sciens Building Solutions (The Carlyle Group)
Jul-24	Secuni	Provides security technology integration services	Minuteman Security Technologies (Tenex Capital Management)
Jul-24	Secure Pest Services	Provides pest control services	PestCo Holdings (Thompson Street Capital Partners)
Jul-24	TFS	Provides outsourced fleet management services for critical material handling assets	Southfield Capital
Jul-24	ABC Burglar Alarm Systems	Provides security and alarm systems and services	Pye-Barker Fire & Safety (Altas Partners, Leonard Green & Partners)
Jul-24	Low Voltage Integrated Systems	Provides fire alarm, CCTV, access control and intercom system services	Sciens Building Solutions (The Carlyle Group)
Jul-24	Scapes	Provides landscape architecture, design, construction and maintenance services	Charter Vista Landscaping (SouthWorth Capital Management)
Jul-24	Allstar Fire Protection	Provides full-service fire protection systems and services	Pye-Barker Fire & Safety (Altas Partners, Leonard Green & Partners)
Jul-24	United Pest Solutions	Provides pest control services	PestCo Holdings (Thompson Street Capital Partners)
Jul-24	Garden City Fire & Safety	Provides extinguisher services, hydrostatic testing and hands-on extinguisher training	Pye-Barker Fire & Safety (Altas Partners, Leonard Green & Partners)
Jul-24	CimeX Control	Provides termite and rodent control and lawn care services	Action Termite & Pest Control (Shore Capital Partners)
Jul-24	Appalachia Landscaping	Provides mowing, leaf removal, shrub trimming, weed control and lawn fertilization services	American Landscaping Partners (Shoreline Equity Partners)
Jul-24	Maxalea	Provides landscape design, construction and maintenance services	American Landscaping Partners (Shoreline Equity Partners)
Jul-24	Precision Landscape Management	Provides landscape installation, management, design, tree removal and grading services	American Landscaping Partners (Shoreline Equity Partners)
Jul-24	Ready Field Solutions	Provides mulch and other landscaping services	American Landscaping Partners (Shoreline Equity Partners)
Jul-24	Swift Lawn & Land	Provides landscape maintenance and enhancement services to commercial customers	American Landscaping Partners (Shoreline Equity Partners)
Jul-24	Varitech Commercial Services	Provides HVAC installation and repair services	Tech24 (HCI Equity Partners)
Jul-24	Onyx-Fire Protection Services	Provides fire and life safety repair, installation and inspection services	Blackstone
Jul-24	Pinnacle Landscaping	Provides landscape design, installation, maintenance, snow removal and lot sweeping services	Schill Grounds Management (Argonne Capital Group)
Jul-24	Cana Communications	Provides fire alarm, security and emergency communications services	Eagle Fire (Rosewood Private Investments)
Jul-24	Cox Fire Protection	Provides end-to-end fire and life safety installation and inspection services	Pye-Barker Fire & Safety (Altas Partners, Leonard Green & Partners)
Jul-24	Kimbel Mechanical Systems	Provides plumbing, HVAC and electrical installation services	Good Springs Capital
Jul-24	Martin Mechanical	Provides HVAC, electrical and plumbing services	FirstCall Mechanical (SkyKnight Capital)
Jul-24	Pinnacle Fire Systems	Provides installation, inspection and maintenance of fire alarm and detection systems	The Hiller Companies (Littlejohn)

About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory, and valuations and fairness opinions. As one tightly integrated team of more than 1,000 professionals in more than 20 offices in 15 countries, we offer an unobstructed perspective on the global private capital markets, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at www.lincolninternational.com.

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